The Evolution of the Tenant Office Solutions

1. Results of CEO's needs to change office space environment and reduce costs
- New real estate metrics beyond cost per square foot
- Output per square foot is the measurement method employed for office
- CEOs analyze annual revenues on a per square foot metric
- Broker should be working with tenant investigating alternative office strategies that enhance productivity and employee comfort. Brokerage services have gone beyond "just real estate" as have the services of the corporate real estate manager.
- Telecommuting can increase productivity
- Linkage between information technology and real estate
- CEOs want low cost in facilities but need speed to deliver space.
- Current vision is to analyze real estate as an "asset" and to work with human resources as a "key"
- These evolving needs will impact letter of intent and lease negotiations, tenant improvement work, building and location decisions, and brokerage services.

2. Impetus Driving the Office/Corporate Tenant's Outlook on Workplace Solutions
- Restructuring for total quality; aka re-engineering efforts
- Companies are redefining their core processes
- Tenants are rethinking the function and architecture of the facilities to enhance productivity
- Co-locating operations from concept to engineering to sales
- Co-locating will have immediate effect on a tenant's market share
- Use of collaborative space, The Millennials demand in space and the differences in how they work versus the Babyboomers. Is there a need for private offices or rooms?
- Broker should recognize new demands from corporate office users
- Brokers should understand office design and make recommendations

3. How the Broker Commences with an Office Tenant Site Search
- Broker should help a tenant define and identify its corporate goals and objectives and how it interrelates with real estate needs. What are the true priorities?
- A broker needs to be more than a real estate strategist. The demand is to be a business strategist.
- In the past, concerns were in 3 areas: People, Technology and Business Processes, Now add the Facility.

4. Office Employee Productivity
- Link employee comfort and corporate culture
- Access to outdoors
- Bringing pets to work
- Flex Time
- Job sharing/tasking
- Teaming approach
- "hoteling" office space
- Collaborative workplace
- Providing child care facilities
- Creating a casual atmosphere, casual work attire, office entertainment

5. Corporate Culture
- A tenant may choose a more expensive office site if commuting travel is shortened or better for recruitment or retention
- Cost of losing employees and replacing employees is expensive
- Need to retain the best, create offices that physically bring management closer to employees
- The need to consolidate or eliminate private offices
- Creating open office plan
- Reducing open office plan for sound-masking purposes
- How does open office plan effect HIPTA or Privacy Issues with open customer/patient telephone conversations?
- Other office evolution concepts and issues at hand?

6. The Corporate Space
- No private or reserved offices; laptop is the office solution
- Need for secure telecom service
- Need to maximize daylight in office areas
- Need for more efficient lamps and fixtures with motion detectors
- Daylight lamp controls
- Other issues and solutions

7. Office Productivity Environment
- The need to enhance the work environment is critical, but how?
- Is quantity of output less important than quality?
- How do you measure brainpower loss?
- Discussion of the Six Sigma model

8. Building's Role with Productivity
- Areas that can directly or indirectly impact work performance and tenant building selection
- Ergonomics, what is the definition and how does real estate impact?
- Goal: to reduce work related injuries and problems
- Indoor quality control issues in an office building
- Lighting issues for employees
- Acoustic issues with the office work place
- Real estate brokerage services now include analysis of Fixtures and Furniture; analysis of chair heights, glare screens and telephone headsets
- Discuss how the broker works with a tenant's Procurement Department for real estate requirements and how services have expanded beyond traditional real estate leasing.

9. Indoor Air Quality (IAQ) and Comfort
- Tenant symptoms: tired or strained eyes, excessive fatigue, headaches, sore eyes, dry eyes
- Leads to Issues such as lower productivity, sick days, low morale, relations between occupants complaint response measures, and worker compensation claims

10. Lighting
- Lighting impacts tenant sales, wakefulness and performance

- Computer glare causes a worker to take more on data entry. Building lighting and ballast can be a concern and will be negotiated as part of the tenant improvements as well as the other items in the outline.
- Lighting controls and dimming ballast improve working conditions and saves energy
- Will increase electrical efficiency

11. Furniture
- Teams in companies are moved and assemble for problem-solving
- Mergers and acquisitions cause moving
- Downsizing effects furniture needs and space needs

12. Other issues
- Personal control of the work environment and real estate layout is an ultimate response to worker productivity
- Having flexible light systems in workstations
- Controlling acoustics and uncontrolled noise are primary causes of productivity loss

13. Is there a need for offices at all?
- Mobility in the office workplace
- What is the office of the future?
- Maybe no offices at all?
- Controversy in the industry whether tenants need office space

14. Other Issues and Evolving Solutions that Office Tenants and Brokers are Experiencing